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TO RUEHC/SECSTATE WASHDC IMMEDIATE 9999

INFO RUEHBJ/AMEMBASSY BEIJING 4144

RUEHLM/AMEMBASSY COLOMBO 7556

RUEHKA/AMEMBASSY DHAKA 7633

RUEHIL/AMEMBASSY ISLAMABAD 0649

RUEHKT/AMEMBASSY KATHMANDU 8286

RUEHMO/AMEMBASSY MOSCOW 0309

RUEHKO/AMEMBASSY TOKYO 3963

RUEHCI/AMCONSUL CALCUTTA 6958

RUEHCG/AMCONSUL CHENNAI 7027

RUEHKP/AMCONSUL KARACHI 5776

RUEHLH/AMCONSUL LAHORE 3132

RUEHBI/AMCONSUL MUMBAI 6243

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RHHMUNA/HQ USPACOM HONOLULU HI

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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 007442

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E.O. 12958: DECL: 10/30/2016

TAGS: [PGOV](#) [PREL](#) [PINR](#) [IN](#)

SUBJECT: CABINET SHUFFLE GENERATES LITTLE EXCITEMENT IN POLITICAL CIRCLES

REF: A. A) NEW DELHI 7358

[¶](#)B. B) NEW DELHI 7338

Classified By: PolCouns Ted Osious for reasons 1.4 (B,D)

¶11. (C) Summary; The opposition BJP and de facto opposition Left parties (supporters of the UPA coalition), criticized the government's October 24 Cabinet shuffle. The BJP interpreted the move as confirming the overriding influence of Congress Party President Sonia Gandhi over the Prime Minister, and Manmohan Singh's "failure" as Foreign Minister.

The Left re-emphasized its criticism of UPA foreign policy under Manmohan Singh as slavishly devoted to US dictates and called on Pranab Mukherjee, the new Foreign Minister, to re-align Indian foreign policy to make it more independent. Most other observers dismissed the Cabinet shuffle, as it merely filled vacancies and was not a general "shake-out" that would eliminate dead wood, bring in more talented performers, and make the Cabinet more balanced along age, regional, communal and caste lines. Prime Minister Singh has taken a beating for his performance as Foreign Minister and Mukherjee's appointment should end some of the Left's invective and free him up to pursue his forte of economic policy formulation and management. With crucial elections coming up in Uttar Pradesh (UP) and Punjab early in 2007, most expect the UPA to engineer another, more major, Cabinet shuffle early next year. Such a move would demonstrate the power of Congress and help convince voters to shift support to a national party rather than continue to rely on parochial regional groups. End Summary.

A "Minor" Cabinet Shuffle

¶12. (U) On October 24, the UPA government announced a "minor" Cabinet shuffle. Eleven months after K. Natwar Singh was

forced to resign as Minister of External Affairs over his alleged involvement in the "oil for food" scandal, PM Singh announced the shift of senior Congress politician Pranab Mukherjee from Defense to External Affairs (Ref B), while long time Gandhi family loyalist from South India AK Anthony became Defense Minister (Ref A). The UPA also filled Cabinet vacancies by appointing Jaiprakash Narayan Yadav of the regional Rashtriya Janata Dal (RJD) as Minister of State for Water Resources, MH Ambareesh of Congress as Minister of State for Information and Broadcasting, and Chandra Sekhar Sahu as Minister of State for Rural Development. Mani Shankar Aiyer, who is Minister for Panchayati Raj, Youth Affairs and Sports, was given the additional portfolio of "development of the North-Eastern Region." Gandhi family confidant Oscar Fernandes was promoted from Minister without portfolio to Minister with Independent Charge at the Ministry of Labor.

The Right Criticizes the Move

¶3. (SBU) The BJP and its allied parties within the Sangh Parivar (family of Hindu organizations) criticized the move as "too little - too late." Sounding a familiar refrain, the BJP claimed that the reshuffle demonstrated the continued domination of Congress Party President Sonia Gandhi over UPA decision-making and the relative powerlessness of the Prime Minister. They also characterized the naming of Mukherjee to the MEA portfolio as proof that the PM and his PMO were not up to the task of running Foreign Affairs, citing a series of "failures," including the GOI's vote in the IAEA on Iran, the

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US-India Civil Nuclear Accord, the unsuccessful candidature of Shashi Tharoor to be Secretary General of the UN, the GOI stance on Venezuela's candidacy for the UN Security Council and perceived GOI flip-flops on Iraq. The BJP predicted that Mukherjee's closeness to the Communists would give them a greater voice than ever in Indian foreign policy. The BJP mentioned that, with Singh as Foreign Minister, the GOI had accomplished little other than maintaining the status quo, in managing relations with the US, China and Russia, while largely ignoring the rest of the world. BJP supporter and columnist Alwin Singh noted that now that there is an MEA Minister of "stature," New Delhi should "rather than being in awe of, if not complicit in, confrontationist and ham-handed US approaches to regional issues, notably Iran,...must take the lead in the search for alternatives based on dialogue, diplomacy, and respect for international law."

BJP - Only One Bright Spot

¶4. (SBU) All commentators, regardless of ideological inclination, agreed that MK Anthony was a "clean" politician and the BJP conceded that his presence, along with that of Manmohan Singh, would boost the UPA's reputation for integrity. Citing the recent controversy over the procurement of the Barak missile and other weapons systems and widespread allegations of corruption within the Defense Ministry, the BJP pointed out that Anthony's appointment was a much-needed breath of fresh air and that, unlike previous Defense Ministers, Anthony would keep his hands out of the cookie-jar and allow the professionals to take care of defense. However, the BJP pointed out that the UPA's reinduction of Jay Prakash Narayan Yadav into the Cabinet after his previous expulsion for criminal activity, demonstrated Congress cynicism. They derided the move as a sop to Railway Minister, Bihar Yadav strong man, and RJD Chief, Lalu Prasad Yadav, himself no stranger to criminal charges. They also claimed that MH Ambareesh, a former Kannada language film actor, is an intellectual lightweight taken into the Cabinet only because his Vokaliga caste identity would divide Vokaliga support for the non-Congress Karnataka Chief Minister HD Kumaraswamy.

15. (SBU) CPI(M) Chief Prakash Karat was particularly caustic in his criticism of the Cabinet shuffle. Praising Mukherjee and Anthony for their competence and stature, he hoped that their appointment would result in a UPA reappraisal of its "foreign and security policies so that a 'proper direction' can be given." Karat criticized the GOI for "distorting" foreign policy because of its "obsessive drive to somehow harmonize positions on regional and global issues with the US's global strategies." Karat pointed out that both Anthony and Mukherjee were old-line Congressmen, who had served under Indira Gandhi and were "well-acquainted" with the earlier Congress foreign policy of "formulating a foreign policy based on non-alignment and the safeguarding of India's vital interests." Karat criticized the UPA for seeking the help of "pro-Israel, neo-conservative, and Jewish lobbies in the US" to support the India-US nuclear deal, claiming that despite all the talk of the two largest democracies on a common course, the US did not hesitate to "exercise its veto" and reject Shashi Tharoor's candidacy for UN Secretary General.

Comment - Largely a Non-Event

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16. (C) Observers not aligned with the Left and Right expressed little enthusiasm for the Cabinet shuffle, seeing it largely as a pro-forma move aimed at maintaining the status quo. The Indian Cabinet -- at 80 Ministers -- remains too large and unwieldy, reflecting the need to mollify the many parties, castes and regions in the UPA coalition. Congress has claimed for some time that it would shake-up the Cabinet to bring about a more representative mix of ages, religions and ethnic groups, but the average age of Cabinet Ministers remains 64 and it is heavily dominated by North Indian Hindus of high caste.

17. (C) The induction of a qualified, senior and competent Congress leader like Mukherjee as Foreign Minister should take some heat off of the Prime Minister, who has been an embattled and distracted Foreign Minister. Manmohan Singh's perceived "pro-US tilt," has made him the object of considerable criticism for his supposed inability to effectively represent Indian interests. Now that India has a more left-wing Bengali Foreign Minister who is close to the Communists, some of the anti-US criticism aimed at Singh may abate. No longer strapped with playing the role of Foreign Policy front-man, Singh could be free to devote more time to economic policy-making, his real forte.

18. (C) Most political insiders dismiss this Cabinet shuffle as a "non-event" and are expecting a far bigger shake-up of the Cabinet shortly before the upcoming state elections scheduled for March 2007. The Cabinet still has its fair share of "dead wood," non-performers and blatantly corrupt (and criminal) Ministers who need to be replaced if Congress hopes to project itself as the party of good governance. The best time for a major shake-up is shortly before the state elections, when it would have maximum impact.

19. (C) Although Congress compromised its integrity by appointing a known criminal to the Cabinet to appease one of the regional parties in the UPA coalition, it has demonstrated that it is in charge of the government and the UPA allies have limited power to dictate policy. In the crucial upcoming contests in Uttar Pradesh and Punjab, Congress is trying to assert itself against regional parties. It needs to demonstrate to the voters that it can effectively use its control of the center to dictate policy and convince them that it can stand up to regional parties in states where it has been in retreat. A major Cabinet shake-up is one way for Congress to demonstrate its power and effectiveness and humble regional parties. This indicates

that another, more far-reaching Cabinet shuffle remains likely.

¶10. (U) Visit New Delhi's Classified Website:

(<http://www.state.sgov.gov/p/sa/newdelhi/>)

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